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OXC - 0171

15 December 1959

MEMORANDUM FOR : Deputy Director (Plans)
 THROUGH : Acting Chief, DPD ^{lv. 10.}
 SUBJECT : Reconsideration of Number of Articles in OXCART
 Procurement Schedule

1. The number of 12 a/c originally established for procurement in this program was picked at a time when some dependence on advanced bases was necessary. I think the rationale went about as follows:

3 a/c @ each of 2 advanced bases	6
3 a/c @ ZI test base	3
3 a/c to cover destruction test article if needed and possible losses in test program	3
	<u>12</u>

2. In line with the idea of a single ZI test-operational base a case can be made that as few as 9 or 10 a/c would be sufficient without sacrifice of margins included above. While such a reduction in numbers would result in much less than a corresponding 20 - 25% reduction in total procurement cost, it does offer a means of some cost reduction.

3. Kelly has noted in his progress report letter #3 of 30 November that such items as a/c bearings are being cost quoted at 20 - 40 times the usual 25X1A5a1 price. He has also told us that the quotations from [REDACTED] others are unexpectedly high. Perkin Elmer likewise have shocked us price wise.

25X1A5a1

4. If this question is to be re-examined it would be appropriate to do so at once since Kelly is anxious to place [REDACTED] an order for titanium material in large quantities in order to realize preferential delivery and price.

25X1A9a *SIGNED*

25X1A9a

CH/DB/DPD-DD/[REDACTED]

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